

## Glossary of Terms

### **AGENCY/TRUST FUNDS:**

Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

### **APPROPRIATION:**

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

### **BUDGET:**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary or approved.

### **BUDGET DOCUMENT:**

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates.

### **BUDGET MESSAGE:**

A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

### **BUDGETARY CONTROL:**

The control or management of a government in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

### **BUDGETARY REPORTING:**

The requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund (current expense) and individual major special revenue funds with legally adopted annual budgets. Budgetary reporting is also required within the comprehensive annual financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.

### **CAPITAL BUDGET:**

A plan of proposed capital outlays and the means of financing them.

### **CONTINGENCY:**

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

### **EMERGENCY APPROPRIATION:**

An appropriation made to a fund or program during the current operating fiscal year to cover unforeseen events and non-projected expenditures.

### **ENTERPRISE FUNDS:**

A type of proprietary fund which contains activities which are operated in a manner similar to private businesses.

**EXPENDITURES:**

Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

**FUND:**

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**GENERAL FUND:**

A specific fund which accounts tax supported activities of the County and other types of activities not elsewhere accounted. In the County budget, this fund is divided into departments. It is used to finance most of the County government's administrative activities, including all departments headed by elected officials, the court system and most law enforcement activities. Sometimes it may be referred to as the Current Expense Fund. The General Fund is a Governmental Fund.

**GMA:**

Growth Management Act – The GMA requires state and local governments to manage Washington's growth by identifying and protecting critical areas and natural resource lands, designating urban growth areas, preparing comprehensive plans and implementing them through capital investments and development regulations. This approach to growth management is unique among states.

**OPERATING BUDGET:**

Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

**OPERATING TRANSFER:**

The regular, recurring transfers of cash from one fund (usually the general fund) to another, appropriated through the budget process.

**SPECIAL REVENUE FUNDS:**

A type of governmental fund that accounts for the proceeds of specific revenue sources that are legally restricted for expenditures.

**SUPPLEMENTAL APPROPRIATION:**

An appropriation made to a fund or program during the current operating fiscal year to cover unforeseen events, projected over expenditures, or to replace revenue shortfalls.